

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH KENTUCKY RURAL ELECTRIC	)	
COOPERATIVE CORPORATION THAT	)	
ON NOVEMBER 1, 1999, IT WILL	)	CASE NO. 99-380
ADJUST ITS MISCELLANEOUS	)	
SERVICE FEES	)	

O R D E R

On September 9, 1999, South Kentucky Rural Electric Cooperative Corporation ( South Kentucky ) filed an application for authority to increase its miscellaneous service fees on November 1, 1999. Based on a review of the application, the Commission finds that a further investigation is necessary to determine whether the proposed fees are reasonable, and that investigation cannot be concluded by November 1, 1999. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the new fees for five months, to be effective March 31, 2000.

IT IS THEREFORE ORDERED that:

1. South Kentucky's proposed miscellaneous service fees shall be suspended up to and including March 31, 2000.
2. South Kentucky shall file with the Commission the original and five copies of the following information. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for

responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. The information requested herein is due 14 days from the date of this Order.

a. Reference Exhibit 2, Page 3 and 4 of 5.

(1) What is the source of the number of minutes and mileage amounts used? Provide a detailed explanation and work papers to support the amounts used.

(2) Explain the source of the numbers used in the other cost based on labor line.

(3) Explain how the \$.31 per mile charge was computed.

b. Several of the miscellaneous service fees proposed by South Kentucky result in a 50 percent or more increase over present fees. Has South Kentucky considered the principle of gradualism for its miscellaneous service fees in order to lessen the rate shock to its customers in this proceeding and redefining the fees by means of a cost-of-service study in its next rate case?

c. Explain why the August 31, 1998 test period was used for this application instead of one that was more recent.

d. Provide a schedule showing the number of each miscellaneous service fee billed by month from September 1998 through August 1999.

e. Provide the income statement, balance sheet, and statement of additional revenues required by 807 KAR 5:011, Section 10(1)(e) and (2), for the period ending August 31, 1999. If this information is not yet available, provide the information for the most recent period.

f. Provide the public notice as published by South Kentucky in the Kentucky Living magazine and provide the date that the magazine was mailed to your members.

3. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 13<sup>th</sup> day of October, 1999.

By the Commission

ATTEST:

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Executive Director